



AB LIMARKO LAIVININKYSTĖS KOMPANIJA
LIMARKO SHIPPING COMPANY AB

20
a n n o
1987-2007

TO: Lithuanian Securities Commission
Konstitucijos ave. 23
LT-08105 Vilnius, Lithuania

2008-02-27 Nr. FIN-1-21-08

Confirmation of responsible persons

Following the Article No. 22 of Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Vytautas Lygnugaris, President of Limarko laivininkystės kompanija AB, and Renaldas Vyšniauskas, Finance Director of Limarko laivininkystės kompanija AB, hereby confirm, that to the best of our knowledge, the attached not audited Limarko laivininkystės kompanija AB Interim Financial Statements for the twelve months of 2007, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Limarko laivininkystės kompanija AB.

Enclosure:

1. Limarko laivininkystės kompanija AB Interim Financial Statements for the twelve months of 2007.

President & CEO

Vytautas Lygnugaris

Finance Director

Renaldas Vyšniauskas



LIMARKO LAIVININKYSTĖS KOMPANIJA

Interim Financial Statements for the twelve months of 2007

TABLE OF CONTENTS

Income statement.....	3
Balance sheet	4
Statement of cash flows	6
Statement of changes in equity	7
Explanatory letter.....	7



The financial statements of Limarko laivininkystės kompanija AB have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

Financial statements for the twelve months of 2007 are not audited. Limarko laivininkystės kompanija AB financial statements for the 2006 were audited by the auditors - KPMG Baltics, UAB.

Income statement

(in Litas)

No.	ITEMS	2007	2006
I.	SALES INCOME	136 704 844	115 673 241
II.	COST OF SALES	117 786 851	103 368 354
III.	GROSS PROFIT (LOSS)	18 917 992	12 304 886
IV.	OPERATING COSTS	8 683 781	6 203 562
IV.1.	Sales	53 594	22 714
IV.2.	General and administrative	8 630 186	6 180 847
V.	OPERATING PROFIT (LOSS)	10 234 212	6 101 325
VI.	OTHER ACTIVITIES	1 401 756	4 837 202
VI.1.	Income	1 738 154	4 889 015
VI.2.	Expenses	336 398	51 813
VII.	FINANCING AND INVESTING ACTIVITIES	3 076 504	773 119
VII.1.	Income	9 309 906	5 768 967
VII.2.	Expenses	6 233 402	4 995 848
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES	14 712 472	11 711 646
IX.	GAIN		
X.	LOSSES		
XI.	PROFIT (LOSS) BEFORE TAX	14 712 472	11 711 646
XII.	PROFIT TAX	(6 318 936)	2 110 390
XIII.	NET PROFIT (LOSS)	21 031 408	9 601 256



Balance sheet

(in Litās)

ASSETS		2007 12 31	2006 12 31
A.	NON-CURRENT ASSETS	239 243 625	186 485 388
I.	INTANGIBLE ASSETS	56 055	95 906
I.1.	Development works		
I.2.	Goodwill		
I.3.	Licences and patents		
I.4.	Computer software	56 055	95 906
I.5.	Other intangible assets		
II.	TANGIBLE ASSETS	238 747 987	186 009 477
II.1.	Land		
II.2.	Buildings and constructions	1 903 242	1 980 658
II.3.	Machinery and equipment		
II.4.	Vehicles	235 975 497	180 637 630
II.5.	Other property, plant and equipment	869 247	283 689
II.6.	Construction in progress		3 107 500
II.7.	Other tangible assets		
III.	FINANCIAL ASSETS	439 584	380 005
III.1.	Investments into subsidiaries and associates		
III.2.	Loans to subsidiaries and associates		
III.3.	Amounts receivable after one year	191 323	48 991
III.4.	Other financial assets	248 261	331 015
B.	CURRENT ASSETS	21 094 261	21 706 545
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	9 877 981	6 255 638
I.1.	Inventories	7 387 785	3 463 721
I.1.1.	Raw materials and consumables	7 387 785	3 463 721
I.1.2.	Work in progress		
I.1.3.	Finished goods		
I.1.4.	Goods for resale		
I.2.	Prepayments	2 490 197	2 791 917
I.3.	Contracts in progress		
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	9 514 743	7 647 150
II.1.	Trade amounts receivable	9 075 438	7 239 916
II.2.	Receivables from subsidiaries and associates		
II.3.	Other amounts receivable	439 305	407 234
III.	OTHER CURRENTS ASSETS		
III.1.	Current investments		
III.2.	Time deposits		
III.3.	Other currents assets		
IV.	CASH AND CASH EQUIVALENTS	1 701 537	7 803 757
TOTAL ASSETS		260 337 886	208 191 933



EQUITY AND LIABILITIES		2007 12 31	2006 12 31
C.	EQUITY	131 416 184	110 384 776
I.	CAPITAL	109 450 664	109 450 664
I.1.	Authorised (subscribed)	109 450 664	109 450 664
I.2.	Subscribed uncalled share capital (-)		
I.3.	Share premium		
I.4.	Own Shares (-)		
II.	REVALUATION RESERVE (RESULTS)		
III.	RESERVES	6 597 114	6 597 114
III.1.	Legal reserve	6 597 114	6 597 114
III.2.	Reserve for acquiring own shares		
III.3.	Other reserves		
IV.	RETAINED EARNINGS (LOSSES)	15 368 406	(5 663 002)
IV.1.	Profit (loss) of the reporting year profit	21 031 408	9 601 256
IV.2.	Profit (loss) of the previous year	(5 663 002)	(15 264 259)
D.	GRANTS AND SUBSIDIES		
E.	AMOUNTS PAYABLE AND LIABILITIES	128 921 703	97 807 157
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	92 777 807	72 549 126
I.1.	Financial debts	92 777 807	66 149 126
I.1.1.	Leases and similar obligations		
I.1.2.	To credit institutions	92 777 807	66 149 126
I.1.3.	Other financial debts		
I.2.	Trade amounts payable		
I.3.	Amounts received in advance		
I.4.	Provisions		
I.4.1.	For covering liabilities and demands		
I.4.2.	For pensions and similar obligations		
I.4.3.	Other provisions		
I.5.	Deferred taxes		6 400 000
I.6.	Other amounts payable and non-current liabilities		
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	36 143 895	25 258 031
II.1.	Current portion of non-current debts	17 731 907	13 168 475
II.2.	Financial debts		
II.2.1.	To credit institutions		
II.2.2.	Other debts		
II.3.	Trade amounts payable	11 881 879	6 045 743
II.4.	Amounts received in advance	755 439	923 564
II.5.	Profit tax liabilities	81 064	1 908 390
II.6.	Liabilities related with labour relations	5 657 868	3 176 916
II.7.	Provisions		
II.8.	Other amounts payable and current liabilities	35 739	34 944
TOTAL EQUITY AND LIABILITIES		260 337 886	208 191 933



Statement of cash flows

No.	ITEMS	2007	2006
I.	Cash flows from operating activities		
I.1.	Net profit (loss)	21 031 408	9 601 256
I.2.	Depreciation and amortization costs	21 205 824	16 890 600
I.3.	Decrease (increase) in amounts receivable after one year		
I.4.	Decrease (increase) in inventory	(3 924 064)	(455 506)
I.5.	Decrease (increase) in advances received	301 720	4 840 802
I.6.	Decrease (increase) in contracts in progress	-	-
I.7.	Decrease (increase) in trade receivables	(1 835 522)	(1 156 925)
I.8.	Decrease (increase) in amounts receivable from	-	-
I.9.	Decrease (increase) in other amounts receivable	(32 071)	(156 883)
I.10.	Decrease (increase) in other current assets	-	-
I.11.	Increase (decrease) in non-current payables to suppliers	-	-
I.12.	Increase (decrease) in current payables to suppliers and	5 668 012	864 516
I.13.	Increase (decrease) in profit tax liability	(1 827 326)	1 908 390
I.14.	Increase (decrease) in liabilities connected with labour	2 480 952	677 629
I.15.	Increase (decrease) in provisions	(6 400 000)	202 000
I.16.	Increase (decrease) in other amounts payable and	795	(552 153)
I.17.	Elimination of financing and investing activity results	(3 979 230)	(5 245 123)
	Net cash flows from operating activities	32 690 498	27 418 604
II.	Cash flows from investing activities		
II.1.	Acquisition of non-current assets (excluding investments)	(82 303 437)	(61 541 841)
II.2.	Transfer of non-current assets (excluding investments)	9 279 856	9 080 235
II.3.	Acquisition of long-term investments		
II.4.	Transfer of long-term investments	-	-
II.5.	Loans granted		
II.6.	Loans recovered	(142 333)	26 291
II.7.	Dividends and interest received	273 205	339 335
II.8.	Other increase in cash flows from investing activities	82 754	
II.9.	Other decrease in cash flows from investing activities		
	Net cash flows from investing activities	(72 809 954)	(52 095 980)
III.	Cash flows from financing activities		
III.1.	Cash flows related to enterprise owners:		
III.1.1.	Emission of shares		
III.1.2.	Owners' contributions against losses		
III.1.3.	Purchase of own shares		
III.1.4.	Dividends paid		
III.2.	Cash flows arising from other financing sources	34 803 498	28 271 560
III.2.1.	Increase in financial debts	54 719 948	46 948 643
III.2.1.1.	Loans received	54 719 948	46 948 643
III.2.1.2.	Issue of bonds	-	-
III.2.2.	Decrease in financial debts	(19 916 450)	(18 677 083)
III.2.2.1.	Loans repaid	(13 700 206)	(13 631 249)
III.2.2.2.	Purchase of bonds	-	-
III.2.2.3.	Interest paid	(6 211 577)	(4 974 440)
III.2.2.4.	Payments of lease (finance lease) liabilities	(4 667)	(71 394)
III.2.3.	Increase in other enterprise liabilities		
III.2.4.	Decrease in other enterprise liabilities		
III.2.5.	Other increase in cash flows from financial activities		
III.2.6.	Other decrease in cash flows from financial items		
	Net cash flows from financing activities	34 803 498	28 271 560
IV.	Cash flows from extraordinary items		
IV.1.	Increase in cash flows from extraordinary items		
IV.2.	Decrease in cash flows from extraordinary items		
V.	The effects of changes in foreign exchange rates on	(786 261)	(1 365 977)
VI.	Net increase (decrease) in cash flows	(6 102 219)	2 228 207
VII.	Cash and cash equivalents at the beginning of period	7 803 757	5 575 550
VIII.	Cash and cash equivalents at the end of period	1 701 537	7 803 757



Statement of changes in equity

	<i>(in Litas)</i>			
	Share capital	Legal reserve	Retained earnings	Total equity
Balance at 1 January 2006	109 450 664	6 597 114	(15 264 259)	100 783 519
Net profit for 2006			9 601 256	9 601 256
Balance at 30 September 2006	109 450 664	6 597 114	(5 663 002)	110 384 776
Balance at 1 January 2007	109 450 664	6 597 114	(5 663 002)	110 384 776
Net profit for 2007			21 031 408	21 031 408
Balance at 30 September 2007	109 450 664	6 597 114	15 368 406	131 416 184

Explanatory letter

Limarko laivininkystės kompanija AB (the "Company") is a company resident in Lithuania. The Company is involved in transportation of cargo by sea transport (vessels).

The major shareholder of the Company is Limarko UAB, a company resident in Lithuania, which owns 90.62% of the share capital (2007 12 31). The ordinary shares of the company are listed on the Vilnius Stock Exchange

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

The financial statements are presented in Litas, the legal currency of Lithuania and considered to be the functional currency of the company. The financial statements are prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value. Accounting records are maintained in accordance with Lithuanian accounting requirements.

Revenue

During the twelve months of 2007 the unaudited sales revenue of Limarko laivininkystės kompanija AB reached LTL 136.7 million and increased by 18% when compared to LTL 115.7 million sales revenue, reached in 2006.

In Litas	2007	2006
Voyage charter operations	83 276 734	68 960 051
Pool operations	27 257 623	37 103 601
Time charter operations	23 460 217	8 669 963
Demurrage	2 710 270	939 626
Total revenue	136 704 844	115 673 241

On 31 December 2007, 7 vessels were employed under voyage charters, 5 vessels were working under Pool management and 4 vessels were time chartered.



On 31 December 2007 the fleet of the Company consisted of 16 vessels: 14 reefers and 2 container vessels.

The Company's investment during the year 2007 amounted to LTL 82 million. 3 vessels have been acquired: in February 2007 - motor vessel "Capella", in March - dry-cargo vessel "Siuita" (bareboat-chartered before), in October - container vessel "America Feeder". In December 2007 the motor vessel "Siuita" was profitably sold.

Cost of sales

In Litas	2007	2006
Crew costs	28 201 353	21 371 676
Fuel	27 288 502	26 468 502
Depreciation	20 825 191	16 611 578
Repair and maintenance of vessels	16 360 445	14 483 972
Commissions	6 046 611	4 312 617
Port dues	5 786 168	6 958 880
Insurance	5 535 496	5 638 225
Lubricating oil	4 404 119	3 185 849
Other costs	3 338 967	4 337 055
	117 786 851	103 368 354

Other operating income/expenses

In Litas	2007	2006
Other activities income:		
Profit from sale of non-currents assets	915 194	4 520 170
Rental and revenue from the sales of goods	661 017	174 584
Revenue from non-ordinary activities	161 944	194 261
Total other activities income	1 738 154	4 889 015
Other activities costs:		
Loss from sale of non-currents assets	-34 291	-7 424
Cost of sold non-current assets	-302 107	-44 389
Total other activities costs	-336 398	-51 813
	1 401 756	4 837 202

Operating costs

In Litas	2007	2006
Staff costs	4 539 001	3 337 897
Rental costs	958 440	144 152
Business trips	381 829	427 132
Depreciation and amortization	380 634	279 022
Exploitation and maintenance of real estate	273 503	204 043
Communication	209 394	278 837
Financial, legal advisory	128 172	238 431
Other costs	1 812 808	1 294 049
	8 683 781	6 203 562



Financial income/costs

In Litas	2007	2006
Financial income:		
Currency exchange rate gain	9 036 701	5 367 483
Interest	273 205	339 335
Penalties		62 150
Total financial income	9 309 906	5 768 968
Financial expenses:		
Interest	-6 211 577	-4 974 440
Penalties	-21 824	-21 408
Total financial costs	-6 233 402	-4 995 848
	3 076 504	773 119

Depreciation

Depreciation is recognised in the following line items in the income statement:

In Litas	2007	2006
Cost of sales	20 825 191	16 611 578
General and administrative operating expenses	380 634	279 022
	21 205 824	16 890 600

Income tax expense

Limarko laivininkystės kompanija AB decided to pay the fixed profit tax (tonnage tax) for the years 2007-2016. The fixed profit tax (tonnage tax) is calculated on the basis of gross tonnage of the vessels operated by the Company and is not related to the operational results of the Company. As the profit tax base changed, the Company reversed the provision for deferred profit tax in the amount of LTL 6.4 million.

In Litas	2007	2006
Tonnage tax	-61 269	
Profit tax for profit unrelated to the shipping activity	-6 284	
Social Tax (3%)	-13 511	
Reversible amount of deferred tax expense	6 400 000	
Current tax expense		-1 908 390
Deferred tax expense		-202 000
	6 318 936	-2 110 390

Investments

In Litas	2007 12 31	2006 12 31
Available-for-sale investments	248 261	331 015
	248 261	331 015

Available-for-sale investments include 20% of the shares of Alpha Reefer Transport GmbH. Alpha Reefer Transport GmbH is the company, through which Limarko laivininkystės kompanija AB earns pool revenue.

Although the Company has 20% investment in Alpha Reefer Transport GmbH, it does not have representation in the Board and management and, therefore, does not exercise significant influence. Accordingly, it is not treated as an associated entity under IFRS.



Inventories

In Litas	2007 12 31	2006 12 31
Fuel	5 835 911	2 472 284
Lubricating oil	1 560 387	995 995
Raw materials and consumables	61 487	65 442
	7 457 785	3 533 721
Allowance for slow moving inventory	-70 000	-70 000
	7 387 785	3 463 721

Receivable

In Litas	2007 12 31	2006 12 31
Trade receivable	9 075 438	7 239 916
Deferred expenses	2 277 601	2 482 026
Prepayments	212 596	309 891
Other receivable	439 305	407 234
	12 004 940	10 439 067

The majority of deferred expenses comprise prepaid insurance expenses.

Cash and cash equivalents

In Litas	2007 12 31	2006 12 31
Bank balances	1 665 592	7 722 841
Cash in hand	35 944	80 915
	1 701 536	7 803 756

Share capital

As of 31 December 2007, the authorised share capital, issued and fully paid, comprised 109 450 664 ordinary shares at a par value of Litas 1 each.

Holder of ordinary shares are entitled to one vote per share in the General Meeting of the Company and are entitled to receive dividends.

The shareholders at the balance sheet date were as follows:

	Ordinary shares	Ownership %
UAB "Limarko"	99 188 894	90.62%
Skandinaviska Enskilda Banken Clients	6 279 468	5.74%
Other minority shareholders	3 982 302	3.64%
	109 450 664	100%

The shares are listed in Vilnius Stock Exchange.



Interest-bearing loans and borrowings

The company's interest-bearing loans and borrowings are as follows:

Lending institution	Ref	Principal amount	Balance LTL 2007 12 31	Balance LTL 2006 12 31
AB "SEB Vilniaus bankas", (mv "Andromeda")	a)	\$3 200 000	7 543 040	10 521 600
AB "SEB Vilniaus bankas", (mv "Libra")	b)	\$4 400 000	10 371 680	13 941 120
AB "Hansabankas", (mv "Pluto" and mv "Uranus")	c)	\$12 221 000	28 807 341	36 723 014
AB "Hansabankas", (mv "Capella")	d)	\$10 309 223	24 300 901	0
AB "SEB Vilniaus bankas", (mv "Serenada")	e)	€ 4 500 000	15 537 600	18 127 200
UniCredit Bank, (mv "America Feeder")	f)	\$10 160 000	23 949 152	0
"Nordea Finance Leasing"				4 667
Total liabilities			110 509 714	79 317 601
Less: current portion			-17 731 907	-13 168 475
Total long term portion of net liabilities			92 777 807	66 149 126

Interest rates for the loans are variable and relate to LIBOR, varying from LIBOR+0.8% to LIBOR+1.35%.

a) The loan was received to finance the acquisition of the vessel "Andromeda". The loan should be repaid by 31 December 2011 in quarterly payments. The loan is secured by pledging the vessel "Andromeda".

b) The loan was received to finance the acquisition of the vessel "Libra". The loan should be repaid by 23 October 2012 in quarterly payments. The loan is secured by pledging the vessel "Libra".

c) The loan was received to finance the acquisition of the vessels "Pluto" and "Uranus". The loan should be repaid by 3 January 2013 in quarterly payments. The loan is secured by pledging the vessels "Pluto", "Uranus" and "Lyra".

d) The loan was received to finance the acquisition of the vessel "Capella". The loan should be repaid by 31 December 2013 in quarterly payments. The loan is secured by pledging the vessels "Capella" and "Astra".

e) The loan was received to finance the acquisition of the vessel "Serenada". The loan should be repaid by 11 August 2012 in quarterly payments. The loan is secured by pledging the vessel "Serenada".

f) The loan was received to finance the acquisition of the vessel "America Feeder". The loan should be repaid by 30 September 2017 in quarterly payments. The loan is secured by pledging the vessel "America Feeder".

